FARRIS MATHEWS BRANAN BOBANGO & HELLEN, PLC

ATTORNEYS AT LAW

HISTORIC CASTNER-KNOTT BUILDING 618 CHURCH STREET, SUITE 300 NASHVILLE, TENNESSEE 37219

Telephone: (615) 726-1200

Facsimile: (615) 726-1776

101 101 11 FM 3 80

Writers Direct Dial: 615-687-4230

01-00878

October 11, 2001

Mr. David Waddell **Executive Secretary** Tennessee Regulatory Authority 460 James Robertson Parkway Nashville, TN 37243-0505

Re:

Charles B. Welch, Jr.

cbwelch@farris-law.com

Application of NOW Communications, Inc. for a Certificate to

Provide Competing Local Telecommunications Services

Dear Mr. Waddell:

Enclosed please find the original and thirteen (13) copies of the Application of NOW Communications, Inc. for a Certificate to Provide Competing Local Telecommunications Services within the State of Tennessee, along with a check in the amount of \$25 for the required filing fee.

Enclosed with this Application is a sealed envelope containing information which NOW Communications respectfully requests be treated as confidential and proprietary information. NOW Communications is a privately held corporation and the release of such information could provide its competitors with knowledge potentially compromising to the Applicant's ability to effectively compete with other carriers in the State of Tennessee.

If we can be of further assistance, please contact the undersigned. I remain.

Very truly yours,

FARRIS MATHEWS BRANAN BOBANGO & HELLEN, PLC

Charles B. Welch, Jr.

CBW:lw **Enclosures**

> MEMPHIS DOWNTOWN: One Commerce Square, Suite 2000, Memphis, Tennessee 38103. (901) 259-7100 telephone, (901) 259-7150 facsimile MEMPHIS EAST: 530 Oak Court Drive Suite 345 Memphis, Tennessee 38117, (901) 762-0530 telephone, (901) 683-2553 facsimile

> > [joliplo]

BEFORE THE TENNESSEE REGULATORY AUTHORITY

IN RE:)
APPLICATION OF NOW COMMUNICATIONS, INC. FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO PROVIDE INTEREXCHANGE TELECOMMUNICATIONS SERVICES,) Docket No

NOW COMMUNICATIONS, INC. APPLICATION FOR CERTIFICATE TO PROVIDE COMPETING LOCAL TELECOMMUNICATIONS SERVICES

Pursuant to applicable Tennessee Statutes and the Rules and Regulations of the Tennessee Regulatory Authority, NOW Communications, Inc. ("NOW") respectfully requests that the Tennessee Regulatory Authority ("TRA") grant to NOW authority to provide competing local telecommunications services, including exchange access telecommunications services, within the State of Tennessee. NOW is willing and able to comply with all applicable rules and regulations in Tennessee pertaining to the provision of competing local telecommunications services.

In support of its Application, NOW submits the following:

 The full name and address of the Applicant is: NOW Communications, Inc.
 2000 Newpoint Parkway
 Suite 900
 Lawrenceville, GA 30043

Questions regarding this application should be directed to:

Charles B. Welch, Jr.
Farris Mathews Branan Bobango & Hellen PLC 618 Church St., Suite 300
Nashville, TN 37219
Phone: (615) 726-1200

Fax: (615) 726-1776

Contact name and address at the Company is:

R. Scott Seab Vice President, Regulatory Affairs NOW Communications, Inc. 711 South Tejon Street, Suite 201 Colorado Springs, CO 80903 Phone: (719) 633-3059

Fax:

(719) 623-0287

2. <u>Organizational Chart of Corporate Structure</u>.

See attached **Exhibit A** for organizational chart of corporate structure.

3. <u>Corporate Information</u>:

NOW is a corporation organized and existing under the laws of the State of Mississippi, maintaining its principle place of business at 2000 Newpoint Parkway, Suite 900, Lawrenceville, Georgia 30043. NOW is currently a switchless reseller authorized to provide service in 37 states, including Tennessee, and the District of Columbia. A copy of its Articles of Incorporation, as amended, is attached as **Exhibit B**. A copy of its Certificate of Authority to Transact Business in the State of Tennessee is provided in **Exhibit C**. Attached as **Exhibit D** is a list of the officers and directors, as well as their addresses.

NOW has been granted authority as an operator service provider and/or reseller of telecommunications services for state-wide service in Tennessee by the TRA as demonstrated by Order entered August 20, 1997, attached hereto as **Exhibit E**. NOW began its Tennessee operations in February, 1998, on a resale basis providing prepaid residential telephone services. NOW first obtained authority to do business in the State of Mississippi and began its operations there in February, 1997. NOW is also authorized to do business in Alabama, Arizona, Arkansas, California, Colorado, Florida, Georgia, Idaho, Illinois, Indiana,

Kansas, Kentucky, Louisiana, Maine, Maryland, Michigan, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, Texas, Utah, Virginia. West Virginia, Wisconsin, Wyoming and the District of Columbia.

NOW has learned that it can achieve greater operating efficiencies by ordering services necessary to provide telephone service to end-users under an unbundled network element arrangement with a facilities-based local exchange carrier as opposed to a service resale arrangement. Secondly, an unbundled network element platform ("UNE-P") will permit NOW to offer unique products to end-users that the incumbent does not provide in its tariffed product offerings available to resellers. Finally, after overcoming the initial financial investment in the additional equipment and the learning curve required to provide services on a UNE-P basis, NOW hopes that it can flow through some of the efficiencies and cost savings to its end-users.

NOW has previously demonstrated its ability and willingness to adhere to applicable TRA polices, rules and orders and will continue to do so as an UNE-P provider. NOW has filed all required reports timely, and has not had any complaints from the TRA. There have been no consumer complaints filed with any federal, state regulatory agency against NOW.

4. <u>Managerial, Technical and Financial Ability:</u>

A. <u>Financial Qualifications</u>:

In support of its financial qualifications, NOW submits the Audited Consolidated Financial Statements of December 31, 2000 and December 31, 1999, together with the auditors' report thereon, and a Letter of Credit dated September 5, 2000, previously provided

to the TRA attached as <u>Collective Exhibit F</u> to this Application under seal. NOW submits that it will require no additional funding for its proposed, new method of operation.

B. Managerial Ability:

As described in the attached biographical information, **Exhibit G**, NOW's management team has extensive management and business experience in telecommunications sufficient to provide the services proposed for Tennessee.

C. <u>Technical Qualifications</u>:

NOW's proposed operations will not include network build-out, construction of plant, equipment, facilities, or transmission/switching paths. All originating, switching, and terminating traffic will continue to be carried on the underlying carriers' facilities, in the same manner as NOW is currently operating on a total service resale basis. Practically, the UNE-P is mainly just a different way to order service. NOW will not actually deploy any switches or other network facilities. 911 service will continue to be provided by BellSouth; no special CPE is required, and there will be no change in the normal repair and maintenance procedures. NOW management information service personnel responsible for all ILEC electronic provisioning for resale is set forth in **Exhibit H**.

NOW services have and will continue to satisfy, at a minimum, the required standards established by the TRA. NOW has and will continue to file and maintain tariffs in the manner prescribed by the TRA and will meet minimum basic local standards, including quality of service and billing standards required of all LEC's regulated by the TRA.

5. <u>Proposed Service Area:</u>

NOW proposes to offer its services throughout all areas of the State of Tennessee as permitted by applicable state and federal law. Although NOW is seeking authority to operate on a facilities basis, NOW will not initially construct any facilities in Tennessee, but it reserves the authority to do so in the future to the extent its resources permit and market conditions dictate. NOW will phase in the UNE-P which is similar to switchless resale in the sense that the underlying facilities of the facilities-based carriers will be utilized. The manner in which NOW will order the services from BellSouth for its end-users will change. NOW will order each various individual component, or unbundled network element, necessary to provide the service to its end-user customers. Those elements are combined into a complete circuit similar to switchless resale, but the individual elements purchased separately cost less than simply ordering a 1FR (single residential line) from BellSouth. NOW can also recombine various elements to create and make available unique products to its customers. When NOW's customer base reaches a level to economically justify investments in soft switch technologies and/or virtual signal control points, it will be colocated with or near traditional ILEC switches in various markets.

6. Types of Local Exchange Service to be provided:

NOW expects to offer a broad variety of local exchange services, primarily to residential customers in Tennessee. NOW's initial line of local services will be comparable to that currently offered by the incumbent LECS.

7. Repair and Maintenance:

NOW understands the importance of efficient and effective customer service. NOW has made arrangements for its customers to call the company at its toll-free customer service number at 888-565-1011. The underlying carrier will perform all repair and maintenance. The reporting number is available Monday through Friday, 9:00 a.m. until 9:00 p.m., and Saturday, 8:00 a.m. until 4:00 p.m. There is no Sunday service at this time. In addition, customers may contact the company in writing at the headquarters address located at 2000 Newpoint Place Parkway, Suite 900, Lawrenceville, Georgia 30043. The toll free number will be printed on the customer's monthly billing statements. There will be no staff in Tennessee, however, the specific contact for customer service issues is Mr. Jim Finn, Director of Customer Service. His office is at NOW's headquarters, located at 2000 Newpoint Place Parkway, Lawrenceville, Georgia 30043. NOW's specific contact for regulatory matters is R. Scott Seab, Vice President of Regulatory Affairs, 711 South Tejon Street, Suite 201, Colorado Springs, Colorado 80903, phone (719) 633-3059.

Grant of the Application will further the goals of the Tennessee Legislature and further the public interest by expanding the availability of competitive telecommunications services in the State of Tennessee. Further, it is anticipated that an intrastate offering of these services will provide Tennessee customers increased efficiencies and cost savings. Authorizing NOW to provide local exchange telecommunications services will materially enhance telecommunication services available to residential customers in the State of Tennessee and will facilitate economic development.

In particular, the public will benefit both directly, through the use of the competitive services to be offered by NOW and indirectly, because NOW's presence in Tennessee will increase the incentives for other telecommunications providers to operate more efficiently, offer more innovative services, reduce their prices, and improve their quality of service.

8. Small and Minority-Owned Telecommunications Business Participation Plan:

NOW'S Small and Minority-Owned Telecommunications Business Participation Plan as submitted to the TRA on June 3, 1999 is attached as **Exhibit I**.

9. <u>Toll Dialing Parity Plan:</u>

NOW submits its letter of May 12, 1999 to the TRA addressing the Toll Dialing Partiy Plan as **Exhibit J** attached hereto.

10. NOW has served notice of this Application to the eighteen (18) incumbent local exchange telephone companies in Tennessee. A list of the companies is attached hereto as **Exhibit K**.

11. Numbering Issues:

NOW will not be programming blocks of NXXs into various local central office switches, NOW will not be ordering blocks of NXXs. NOW will continue to submit individual local service requests as received by new customers, and does not plan on increasing dramatically its average monthly customer base of approximately 1,200 customers.

12. Tennessee Specific Operational Issues:

NOW will continue to operate in compliance with the specific operational issues.

NOW's Customer Service Director is James Finn, at the principal address and the toll free

number listed above. NOW does not utilize telemarketing firms in Tennessee or in any other state.

13. <u>Miscellaneous:</u>

- A. The Pre-filed Testimony of Larry W. Seab, Chief Executive Officer and President of NOW Communications, Inc. is attached hereto as **Exhibit L.**
- B. Applicant does not propose to make any changes to the tariffs previously filed with the TRA.
- C. NOW does not require a deposit from its customers.
- D. NOW has no report of a state or federal complaint. There have been various informal staff inquiries, but all were resolved on such level and to the satisfaction of the customer. Permanent records of such informal inquiries are not kept. NOW has no knowledge of any type of complaint or inquiry in the State of Tennessee.

CONCLUSION

NOW respectfully requests that the TRA enter an order granting it a certificate of convenience and necessity to operate as a Competing Telecommunications Service provider, as defined by state law, with authority to provide a full range of local exchange services in all areas of the state permitted by law. For the reasons stated above, NOW's provision of these services will promote the public interest by providing high-quality service at competitive prices.

Respectfully submitted this 11th day of October, 2001.

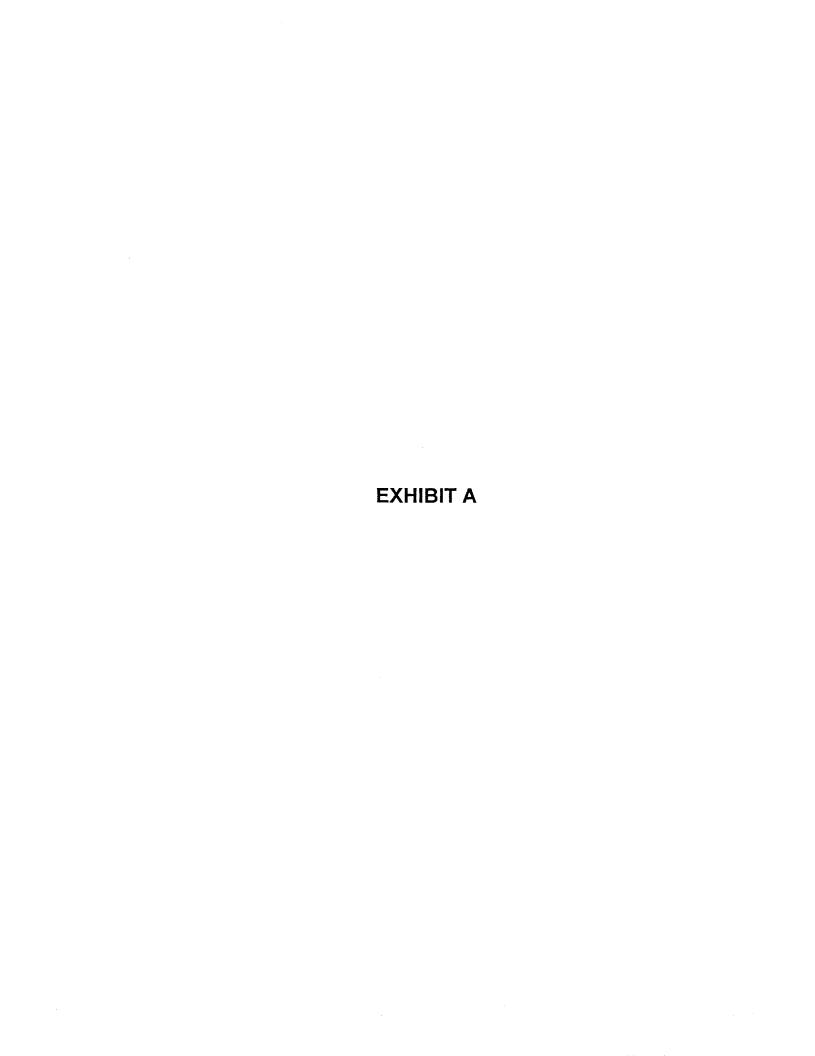
FARRIS MATHEWS BRANAN BOBANGO & HELLEN PLC

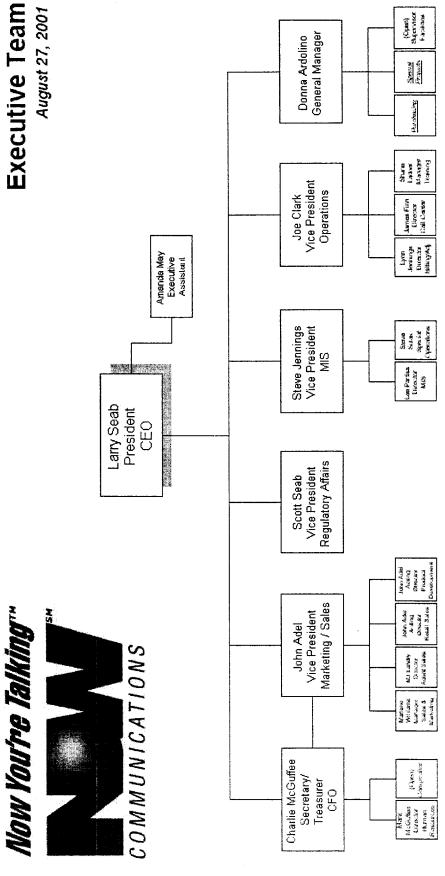
Charles B. Welch, Jr.

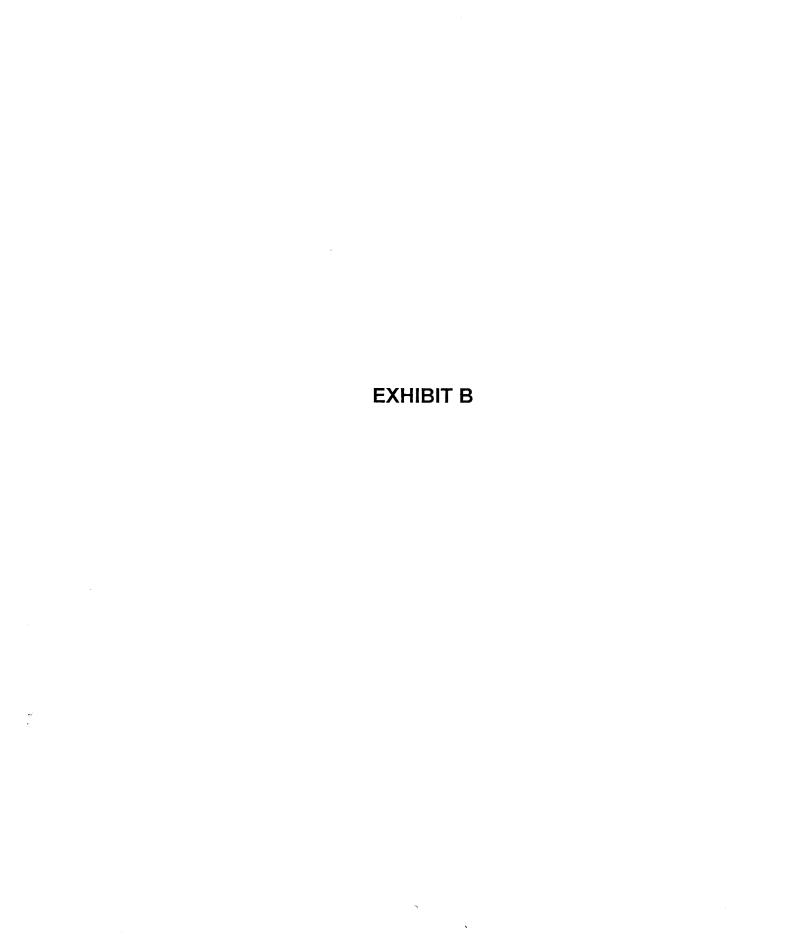
Attorney for NOW Communications, Inc.

618 Church Street, Suite 300 Nashville, Tennessee 37219

Phone: (615) 726-1200 Fax: (615) 726-1776







ARTICLES OF INCORPORATION

(Attach conformed copy.)

(Mark Appropriate Box)

The undersigned persons, pursuant to Section 79-4-2.02 (if a profit corporation) or Section 79-11-137 (if a nonprofit corporation) of the Mississippi Code of 1972, hereby execute the following document and set forth:

	FEB 29 96
The name of the corporation is	SECRETARY OF STAIL
NOW Communications. Inc.	JACKSON, MS.
Domicile address is	
Rolling Fork, MS 39159	
CITY/STATE/COUNTY/Z FOR NON-PROFITS ONLY: The period of duration is	
(a) The number (and classes, if any) of shares the corporation is authorized to	ssue is (are) as follows (THIS IS FOR PROFIT BALED
Class(es)	No. of Shares Authorized Feb 29 19
Common	10,000 Sanara Sa
The street address of its initial registered office is 513 Delta Street STREET	
21/251	
Rolling Fork, MS 39159	
Rolling Fork, MS 39159	
Rolling Fork, MS 39159	
ROlling Fork, MS 39159 CITY/STATE/ZIP and the name of its initial registered agent at such address is W. B. Holloway	PE OR PRINT):
ROlling Fork, MS 39159 CITY/STATE/ZIP and the name of its initial registered agent at such address is W. B. Holloway	PE OR PRINT):
ROlling Fork, MS 39159 CITY/STATE/ZIP and the name of its initial registered agent at such address is W. B. Holloway The name and complete address of each incorporator is as follows (PLEASE TYPE)	
Rolling Fork, MS 39159 CITY/STATE/ZIP and the name of its initial registered agent at such address is W. B. Holloway The name and complete address of each incorporator is as follows (PLEASE TYPE W. B. Holloway	
Rolling Fork, MS 39159 CITY/STATE/ZIP and the name of its initial registered agent at such address is W. B. Holloway The name and complete address of each incorporator is as follows (PLEASE TYPE W. B. Holloway 513 Delta Street Rolling Fork, MS NAMESTREET ACCRESS/CRY/S	
Rolling Fork, MS 39159 CITY/STATE/ZIP and the name of its initial registered agent at such address is W. B. Holloway The name and complete address of each incorporator is as follows (PLEASE TYPE W. B. Holloway 513 Delta Street Rolling Fork, MS NAMESTREET ACCRESS/CRY/S	
Rolling Fork, MS 39159 CITY/STATE/ZIP and the name of its initial registered agent at such address is W. B. Holloway The name and complete address of each incorporator is as follows (PLEASE TYPE W. B. Holloway 513 Delta Street Rolling Fork, MS NAMESTREET ACCRESS/CRY/S	

INCORPORATORS (SIGNATURES)

RESOLUTION OF THE SHAREHOLDERS

OF'

NOW COMMUNICATIONS, INC.

The undersigned, being the shareholders of NOW Communications, Inc., a Mississippi corporation, hereby vote in favor of, and adopt the following resolution:

RESOLVED, that the Articles of Incorporation are hereby smended to reflect:

- 1. the domicile of the company as 713 Country Place Drive, Jackson, MS 39208, and
- the number of shares the company is authorized to issue is one million (1,000,000), class Common.
- that the shareholders agree to consider an agreement to restrict share transfers
 pursuant to Section 6, Article II of the Bylaws.

IN WITNESS WHEREOF, the undersigned have executed this resolution on the dates indicated below, to be effective upon signing by the shareholders or designated proxies thereof.

DATE: 9-15.98	Land W. South
DATE: 9-15-98	Charles W. McGuffed
DATE: 9-15-98	Dennis McCahill by Prany
DATE:	Perry D. Gotcher
DATE: 9-15-98	Jernes R. Downs
DATE: <u>9/15/98</u>	Jean E. Miller
DATE: 9/15/98	P. Thelp by Jame & Allh by Pray
DATE:	
DATE: 9//5/98	Stevel canings

F0012 - Page 1 of 3

OFFICE OF THE MISSISSIPPI SECRETARY OF STATE P.O. BOX 136, JACKSON, MS 39205-0136 (601) 359-1333 Articles of Amendment



The undersigned persons, pursuant to Section 79-4-10.06 (if a profit corporation) or Section 79-11-305 (if a nonprofit corporation) of the Mississippi Code of 1972, hereby execute the following document and set forth:

	1. Type of Corporation						1
⇒	Profit	Noaprof	it				٠
	2. Name of Corporation	1					
⇒	NOW COMMUNIC	ATIONS, INC.					FILED
_	3. The future effective of (Complete if applical						01/04/2000 ERECLARK
	4. Set forth the text of e	ach amendment ade	op	oted.			State of Missessippi
	5. If an amendment for cancellation of issued st they are not contained	hares, set forth the t	٥r	ovksions for impiem	rcł en	nange, reclassification ting the amendment	ı, or if
•	6. The amendment(s) w	as (were) adopted o	n				
⇒	February 9, 1999					Date(s)	
,	FOR PROFIT CORPOR	ATION (Check the	аp	propriate box)			
⇒	Adopted by the	ncorporators		directors without sharel shareholder action was			
	FOR NONPROFIT CO	RPORATION (Check	k t	the appropriate box)			
⇒	Adopted by the	incorporators		board of directors with member action was not			
	FOR PROFTT CORPOR	RATION					
	7. If the amendment w (a) The designation, nur each voting group entitl each voting group indis	nber of outstanding s ed to vote separately	ha Oi	ares, number of votes n the amendment, and	en i ti	titled to be cast by ne number of votes of	
	Designation	No. of outstanding shares		No. of votes entitled to be cast		No. of votes indisputably represented	,
⇒	Common	1,000,000		1,000,000		971,618	

F0012 - Page 2 of 3

OFFICE OF THE MISSISSIPPI SECRETARY OF STATE P.O. BOX 136, JACKSON, MS 39205-0136 (601) 359-1333 Articles of Amendment



⇒				
,	(b) EITHER (i) the total number of vote separately on the am		st the amendment by each	voting group entitled to
	Voting group	Total no. of votes cast FOR	Total no. of votes cast AGAINST	
⇒	Common	971,618	-0-	
⇒				
	OR (ii) the total number of	of undisputed votes cast f	or the amendment by each	voting group was
	Voting group	Total no. of undisputed	votes cast FOR the plan	
⇒				
à⇒	, -			
	and the number of votes that voting group.	cast for the amendment b	y each voting group was s	ufficient for approval by
	FOR NONPROFIT CO	ORPORATION		
		umber of memberships led to vote separately o	outstanding, number of in the amendment, and the	
	Designation	No. of memberships outstanding	No. of votes entitled to be cast	No. of votes indisputably represented
⇒				
⇒				,

F0012 - Page 3 of 3

(b) EITHER

OFFICE OF THE MISSISSIPPI SECRETARY OF STATE P.O. BOX 136, JACKSON, MS 39205-0136 (601) 359-1333 Articles of Amendment

Voting class	Total no. of votes cast FOR	Total no. of votes cast AGAINST]
OR (ii) the total u	umber of undisputed votes cas	t for the amendment by ea	ach class was
Voting class	Total no. of undisputed		-
and the number of	votes cast for the amendment	hu each voting group wa	s sufficient for annequal by
hat voting group.	TOTAL CEST 101 the Rineroment	by cach roung group wa	s sufficient for approval of
By: Signature		(P	lesse keep writing within blocks)
	Lague	lab	
Printed Na	Larry W. Seab	T	President

4. (a) The number (and classes, if any) of shares the corporation is authorized to issue is (are) as follows (This is for Profit Only):

Class(es)

No. of Shares Authorized

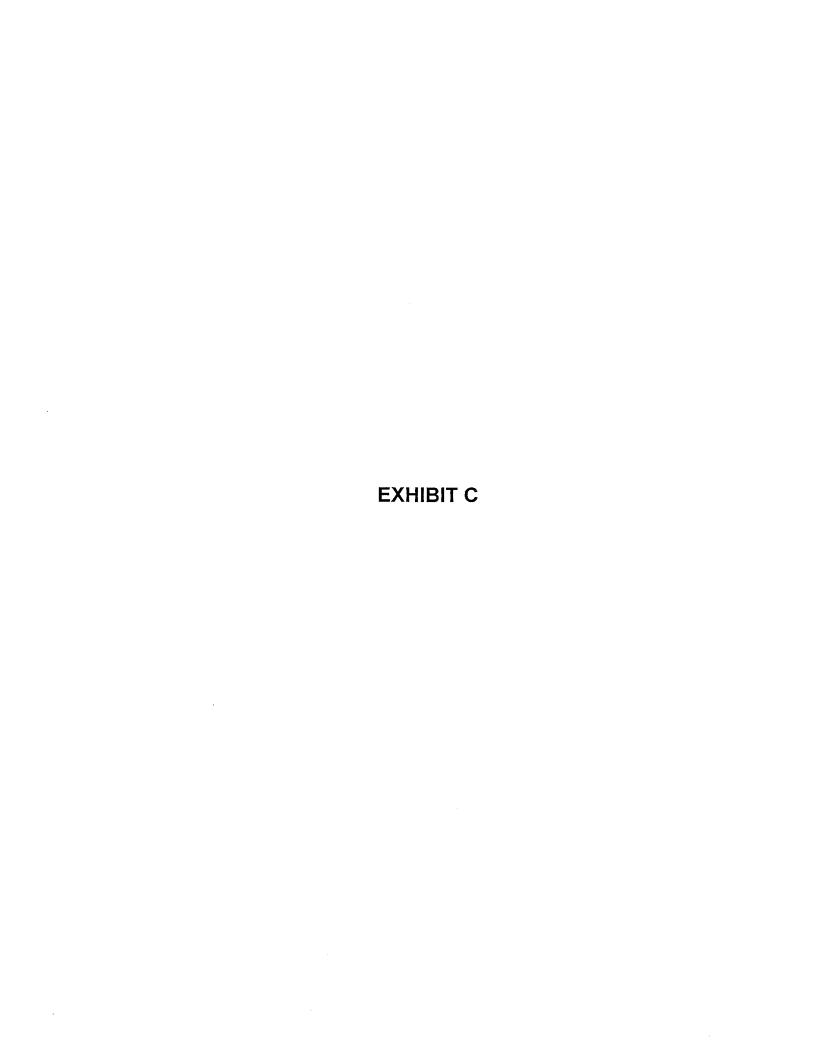
Common

1,250,000

NOW Communications, Inc., a Mississippi Corporation

Dated: Haz. 31, 1999.

Lirry W. Seab. President



Secretary of State
Corporations Section

James K. Polk Building, Suite 1800

Nashville, Tennessee 37243-0306

DATE: 03/1/97 REQUEST NUMBER: 3303-2250 TELEPHONE CONTACT: (615) 741-0537 FILE DATE/TIME: 03/17/97 1116 EFFECTIVE DATE/TIME: 03/17/97 1116 CONTROL NUMBER: 0327248

TO: BASS, BERRY & SIMS 2700 FIRST AMER CTR. NASHVILLE, TN 37238

RE:
NDW COMMUNICATIONS, INC.
APPLICATION FOR CERTIFICATE OF
AUTHORITY - FOR PROFIT

WELCOME TO THE STATE OF TENNESSEE. THE ATTACHED CERTIFICATE OF AUTHORITY HAS BEEN FILED WITH AN EFFECTIVE DATE AS INDICATED ABOVE.

A CORPORATION ANNUAL REPORT MUST BE FILED WITH THE SECRETARY OF STATE ON OR BEFORE THE FIRST DATE OF THE FOURTH MONTH FOLLOWING THE CLOSE OF THE CORPORATION'S FISCAL YEAR. PLEASE PROVIDE THIS OFFICE WITH WRITTEN NOTIFICATION OF THE CORPORATION'S FISCAL YEAR. THIS OFFICE WILL MAIL THE REPORT DURING THE LAST MONTH OF SAID FISCAL YEAR TO THE CORPORATION AT THE ADDRESS OF ITS PRINCIPAL OFFICE OR TO A MAILING ADDRESS PROVIDED TO THIS OFFICE IN WRITING. FAILURE TO FILE THIS REPORT OR TO MAINTAIN A REGISTERED AGENT AND OFFICE WILL SUBJECT THE CORPORATION TO ADMINISTRATIVE REVOCATION OF ITS CERTIFICATE OF AUTHORITY.

WHEN CORRESPONDING WITH THIS OFFICE OR SUBMITTING DOCUMENTS FOR FILING, PLEASE REFER TO THE CORPORATION CONTROL NUMBER GIVEN ABOVE.

FOR: APPLICATION FOR CERTIFICATE OF AUTHORITY - FOR PROFIT

ON DATE: 03/17/97

FROM: BASS BERRY & SIMS (NASHVILLE) 2700 1ST AMER CTR

NASHVILLE, TN 37238-0000

RECEIVED: \$300.00

\$300.00

TOTAL PAYMENT RECEIVED:

\$600.00

RECEIPT NUMBER: 00002089577 ACCOUNT NUMBER: 00000149

FEES

AGRICULTURE FO

RILEY C. DARNELL SECRETARY OF STATE



NOW COMMUNICATIONS, INc.

Business Address: 2000 Newpoint Parkway, Suite 900 Lawrenceville, GA 30043

(888) 565-1011 Fax: (678) 442 0684

Corporate Officers and Directors - Business Addresses

- Larry W. Seab Chief Executive Officer and President, Director. 2000
 Newpoint Parkway, Suite 900, Lawrenceville, GA 30043.
 lws@nowcommunications.com
- Charles W. McGuffee Chief Financial Officer, Secretary, Treasurer,
 Director. Same as above. cmac@nowcommunications.com
- Steve Jennings Vice President, Management Information Systems and Director. Same as above. sjenning@nowcommunications.com
- Joe Clark Vice President, Corporate Development. Same as above. joeclak.wts@home.com
- John Adel Vice President, Marketing. Same as above. johnadel@alaceris.com
- R. Scott Seab Vice President, Regulatory Affairs. 711 South Tejon Street,
 Suite 201, Colorado Springs, CO 80903. rss@nowcommunications.com
- James R. Downs Director. 1105 Oakhurst Drive, Broomfield, CO 80020.
 jdowns55@eartlink.net

EXHIBIT E

Company ID: 126131 NOW Communications, Inc. 713 Country Place Dr. Jackson, MS 39208

BEFORE THE TENNESSEE REGULATORY AUTHORITY Nashville, TN August 20, 1997

IN RE: CASE NUMBER: 97-0911

Application for Authority to Provide Operator Services and/or Resell Telecommunications Services in Tennessee Pursuant to Rule 1220-4-2-.57.

---ORDER---

This matter is before the Tennessee Regulatory Authority upon the application of the above-mentioned company for certification as a reseller or telecommunication operator service provider in Tennessee. The TRA considered this application at a Conference held on 8/19/97, and concluded that the applicant has met all the requirements for certification and should be authorized to provide operator services and/or resell telecommunications services on an intrastate basis.

IT IS THEREFORE ORDERED:

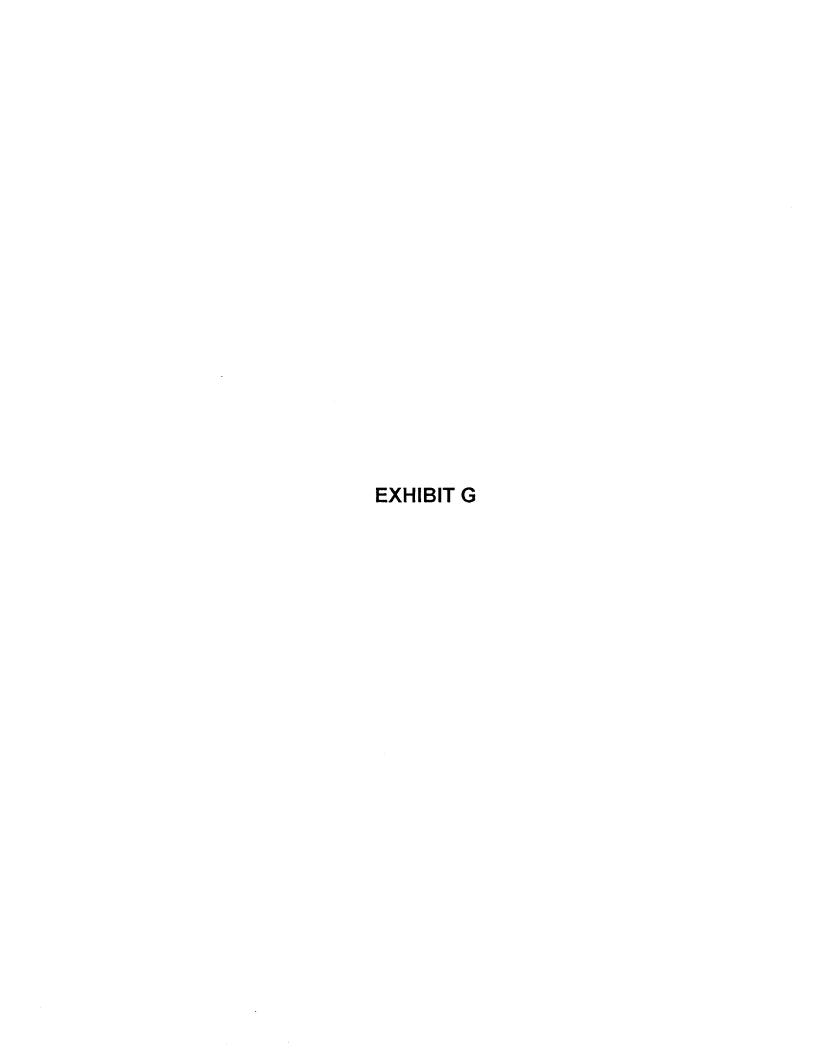
- 1. That the above-mentioned company is issued a Certificate of Convenience and Necessity as an operator service provider and/or reseller of telecommunications services for state-wide service in Tennessee as specified in its application on file with the Authority.
- 2. That said company shall comply with all applicable state laws and TRA rules and regulations.
- 3. That this order shall be retained as proof of certification with this Authority, and may be used to obtain appropriately tariffed service and billing arrangements from Authority authorized telecommunications service providers.

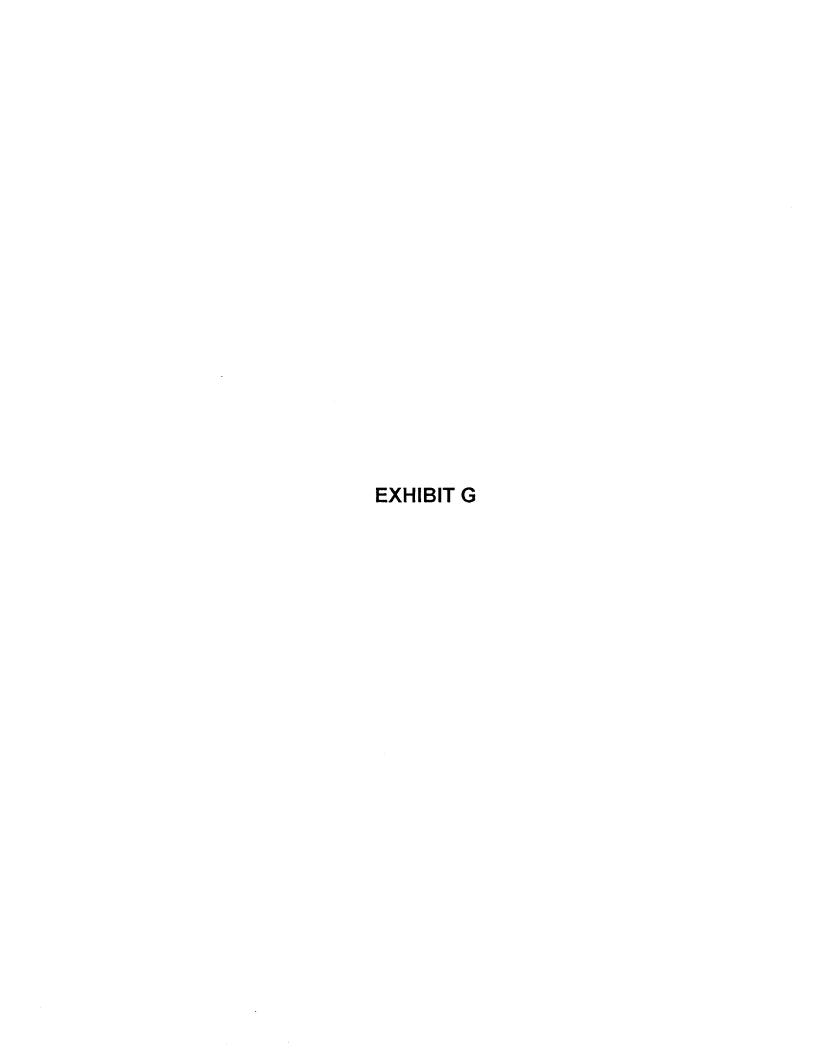
Chairmary

Director

ATTEST:

Executive Secretary





Director; CEO and President: Larry W. Seab, Sr. Mr. Seab has been a telecommunications consultant for telephone companies since 1971. His previous company, Communications Consultants, Inc., specialized in preparing rate case studies for independent telephone companies appearing before state PSC bodies. He pioneered the long distance resale industry in Louisiana in 1983 with Long Distance Savers, Inc., which was later acquired by a larger carrier. Mr. Seab then served as Chief Financial Officer of a leading rural local exchange carrier and established a Hungarian subsidiary following Hungary's telephone privatization in 1991 and 1992. Following the passage of The Telecommunications Act of 1996, he and Charles W. McGuffee incorporated NOW Communications, Inc. on February 29, 1996. (Business HQ address)

Director; CFO, Secretary - Treasurer: Charles W. McGuffee. After graduating from Delta State University in Cleveland, Mississippi in 1967, the United States Treasury Department employed him as a National Bank Examiner for the Comptroller of the Currency. After nine years of treasury service, he entered commercial banking and was Vice President with three large banks in Mississippi and Alabama over the next ten years. During that period he received a graduate degree from Louisiana State University Graduate School of Banking of the South. In 1984, he became associated with Telephone Electronics Corporation, one of the largest independent telephone holding companies in the South, and served as its financial advisor until he and Mr. Seab incorporated NOW. (Business HQ address)

Vice President, Regulatory Affairs: R. Scott Seab. Scott has been an attorney since 1990 and has been counsel to NOW since its inception providing guidance initially on general corporate and employment matters. In November 1997, he became counsel for all state regulatory matters and was appointed to his current position in April, 1998. Address: Regulatory Offices, 711 South Tejon Street, Suite 201, Colorado Springs, CO 80903.

Director; Vice President, Management Information Systems: Steve Jennings. Mr. Jennings came to NOW Communications from WorldCom, Inc., where he was responsible for accounts receivable reconciliation. He has been involved in accounting management and utilities for various businesses since 1979. His background includes work with electric cooperatives, cellular companies and independent telephone companies. (Business HQ address)

Vice President, Corporate Development: Joe Clark. Mr. Clark brings over 30 years of marketing, product development, sales and organizational development experience. He has held senior management positions in several large international companies such as National Cash Register, The Singer Corporation, National Data Corporation and Western States Bankcard

NOW Communications, Inc.

Business Headquarters:

2000 Newpoint Parkway, Ste. 900 Lawrenceville, GA 30043 (888) 565-1011 lws@nowcommunications.com Legal Office:

711 South Tejon, Suite 201 Colorado Springs, CO 80903 (719) 633-3059 rss@nowcommunications.com Association (the founders of MasterCard). Prior to joining NOW, Mr. Clark was the Executive Vice President of Sun Technology Solutions, Inc. a leading international telecommunications-consulting firm concentrating in M&A, funding, industry analysis, facility management, technology assessment, organizational development and service bureau functions related to the communications industry. (Business HQ address)

Vice President, Marketing: John Adel. Mr. Adel joined NOW in July 2000 from U.S. Dial Tone, LLP, a prepaid communications and internet services provider in San Antonio, Texas. Mr. Adel has over 20 years of executive management experience in the marketing of computer systems and telecommunications services. Under his expertise, NOW has recently launched an internet service that is unique in the prepaid industry. The service has been met with massive acceptance by NOW's end-users - and is bridging the "digital divide" by bringing internet access to those who before NOW had only heard of the World Wide Web.

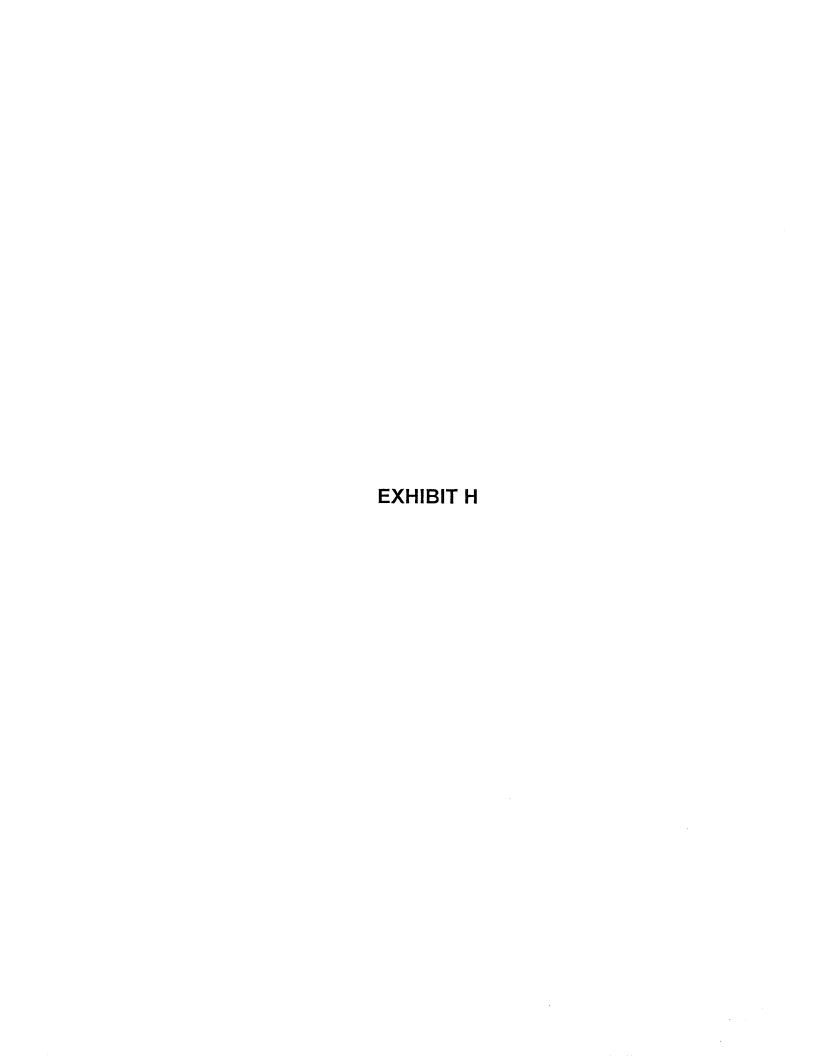
Director: James R. Downs. Mr. Downs was the Chief Financial Officer and Treasurer and Secretary of Formus Inc., an international broadband telecommunications provider from 1996 to 1999. He was Vice President of Finance, Chief Financial Officer, and Secretary-Treasurer of ConferTech International, Inc., from 1990 to 1996. Prior to joining ConferTech, Jim held a variety of senior management positions with the US WEST, Inc., group of companies. From 1988 to 1990, he served as Chief Financial Officer and Vice President of Finance and Administration of US WEST Knowledge Engineering, Inc. From 1986 to 1990, he served as Vice President and Controller of Western Range Insurance Company, a US WEST, Inc., subsidiary. Mr. Downs also served as Director of Financial Results for the US WEST, Inc., Headquarters Company. Mr. Downs is also a Certified Public Account and was elected a director of NOW in 1997. Address: 1105 Oakhurst Drive, Broomfield, CO 80020.

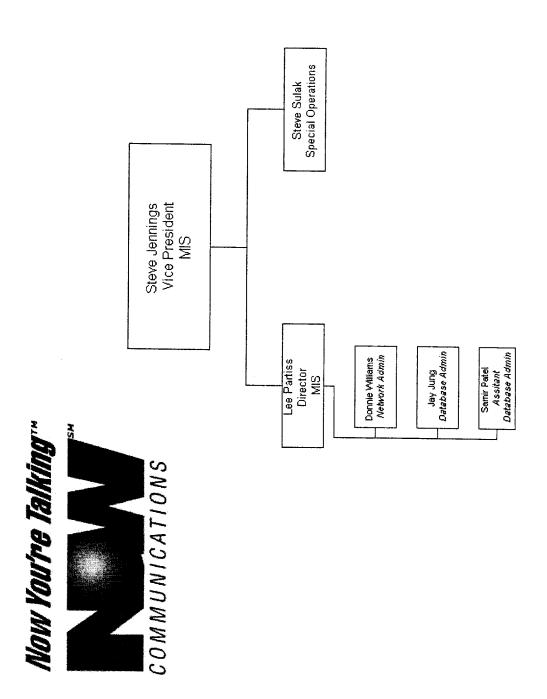
NOW Communications, Inc.

Business Headquarters:

2000 Newpoint Parkway, Ste. 900 Lawrenceville, GA 30043 (888) 565-1011 lws@nowcommunications.com Legal Office:

711 South Tejon, Suite 201 Colorado Springs, CO 80903 (719) 633-3059 rss@nowcommunications.com









3 June 1999

Tennessee Regulatory Authority David Waddell, Executive Secretary 460 James Robertson Parkway Nashville, TN 37243-0505

Re: Small and Minority Owned Telecommunications Business Participation Plan Of NOW Communications, Inc., Company ID 126131

Dear Mr. Waddell:

Pursuant to TCA Section 65-4-212, enclosed is the Small and Minority Owned Telecommunications Business Participation Plan of NOW Communications, Inc. The required four copies are also provided.

Please do not hesitate to contact me if additional information is required.

Sincerely,

Larry W. Seab President and CEO

NOW Communications, Inc. P. O. Box 807 Jackson, MS 39205-0807

NOW Communications, Inc.

SMALL AND MINORITY OWNED

TELECOMMUNICAITONS BUSINESS PARTICIPATION

PLAN

Submitted to:

Tennessee Regulatory Authority 460 James Robertson Parkway Nashville, TN 37243-0505 Submitted by:

NOW Communications, Inc. Pursuant to Section 16, Chapter 408 Public Acts of 1995 dated June 6, 1995

SMALL AND MINORITY OWNED TELECOMMUNICATIONS BUSINESS PARTICIPATION PLAN OF

NOW Communications, Inc.

Policy Statement

NOW Communications, Inc. acknowledges the importance of supporting small and minority owned telecommunications business participation in the telecommunications industry and the overall general business participation in the telecommunications Tennessee business operations, it is the policy of NOW Communications, Inc. to provide practicable opportunity for Small Telecommunications and Minority Owned Telecommunications Business to compete for contracts and subcontracts for goods and of like-kind goods and services to NOW Communications, Inc. NOW Communications, Inc. is committed to the identification and selection of qualified Small Telecommunications Business and Minority Owned Telecommunications Business in this respect.

Further, with respect to its Tennessee business operations, it is the policy of NOW Communications, Inc. to provide information on programs, if any, to provide technical assistance to Small Telecommunications Business and Minority Owned Telecommunications Businesses when and where available tin Tennessee.

Further, NOW Communications, Inc. acknowledges its obligation to contribute its share to the fund established by the Department of Economic and Community Development in accordance with Section 17 of Chapter 408 of the Public acts of 1995 (the "Act") for the purpose of funding the small and minority owned telecommunications business assistance program which provide for loan guarantees, technical assistance and services, and consulting education services.

Definitions

"Act" - Section 16 and 17 of Chapter 408 of the Public Acts of 1995.

"Minority Owned Telecommunications Business" – a telecommunications business which is solely owned, or at least fifty-one (51%) of the assets or outstanding stock of which is owned, by an individual who personally manages the daily operations of such business, and who is impeded from normal entry into the economic mainstream because of race, religion, sex or national origin and such business has annual gross receipts of less than four million dollars (\$4,000,000), or as otherwise modified or amended in the future by the legislature of the State of Tennessee.

a) "Personally Manages" in this context shall mean actively involved in the day-to-day management.

- b) "Controls" in this context shall mean exercising the power to make policy decisions.
- c) "Who is impeded from normal entry" in this context shall mean individuals who have been subjected to racial or ethnic prejudice or cultural bias because of their identity as a member of a group without regard to their qualities as individuals and as provided in the regulations implementing Sections 8(a) and 7(j) of the Small Business Act, as amended by the Business Opportunity Development Reform Act of 1988, and Business Opportunity Development Reform Act Technical Corrections Act, (15 U.S.C. 637(a) and 636(j)m as amended by Pub. L. 100-656 and Pub. L. 101-37).

"Small Telecommunications Business" – A telecommunications company with annual gross receipts of less than four million dollars (\$4,000,000), or as otherwise modified or amended in the future by the legislature for the State of Tennessee.

"Subcontract" – Any agreement (other then one involving an employer-employee relationship) entered into by NOW Communications, Inc. with a non-affiliated company or individual calling for direct or indirect purchase of raw materials, components, supplies and services needed to support NOW Communications, Inc.'s operation.

Goals

The goals of NOW Communications, Inc.'s Small and Minority Owned Telecommunications Business Participation Plan is to identify Small Telecommunications Business and Minority Owned Telecommunications Businesses which are qualified to provide goods and services and to promote awareness among Small Telecommunications Businesses and Minority Owned Telecommunications Businesses as to opportunities to develop business relationships with NOW Communications, Inc.

Plan Implementation

NOW Communications, Inc. will invite bids, or issue reports for proposals, or otherwise solicit offers from Small Telecommunications Business and Minority Owned Telecommunications Business, except in the case of emergencies, or in cases where NOW Communications, Inc. is bound by contract to purchase goods and services from other sources, to furnish specified goods or services to NOW Communications, Inc. in furtherance of its Tennessee operations.

Plan Administration

In conducting its business affairs in Tennessee, NOW Communications, Inc. will appoint one of its employees as the Administrator of the Small and Minority Owned

Telecommunications Business Participation Plan. The Administrator will be responsible for obtaining and utilizing available resources for identifying Small Telecommunications business and Minority Owned Telecommunications Businesses interested and qualified in furnishing goods and services to NOW Communications, Inc. and to cultivate an awareness among such businesses as to any opportunities to develop business relations with NOW Communications, Inc. The Administrator will also serve as a resource for technical assistance to Small Telecommunications Businesses and Minority Owned Telecommunications Business and will refer such businesses to sources of information and other technical assistance.

Plan Administrator

The administration of this Plan will be under the direction of (hereinafter call the "Administrator"):

Name: Larry W. Seab

Title: CEO

Address: 1695 High Street, Suite B

Jackson, MS 39202

Telephone: (601) 714-7000 Facsimile: (601) 969-7880

The duties of the Administrator are, among other things:

- 1. To develop policies and procedures to assure success of the Plan.
- 2. To maintain a current Plan acceptable to the Tennessee Regulatory Authority.
- 3. To conduct certification surveys as to the status of suppliers.
- 4. To establish and maintain a database and records in support of the Plan pursuant to the requirements of the Tennessee Regulatory authority.
- 5. To search diligently for qualified small and minority owned telecommunications businesses and concerns through:
 - a. The Small Business Administrations' Procurement Automated Source System (PASS), and publications of the Office of Minority Business Data Center in the Department of Commerce and the Office of Minority Small business and Capital Ownership Development in the Small Business Administration.
 - b. Local and national associations and Minority Supplier Development councils.

- c. Participation in trade fairs and industry meetings.
- d. Advertisement in the industry and local publications.
- 6. To prepare and submit such forms and information as may be required by the Tennessee Regulatory Authority.
- 7. Maintain liaison and cooperation with the Tennessee Regulatory Authority, and other agencies of the State of Tennessee to find and utilize qualified business concerns defined herein.
- 8. To support activities for assisting buyers in locating and qualifying the business concerns defined herein.
- 9. To provide required records and reports to cooperate in any authorized surveys by the Tennessee Regulatory Authority.

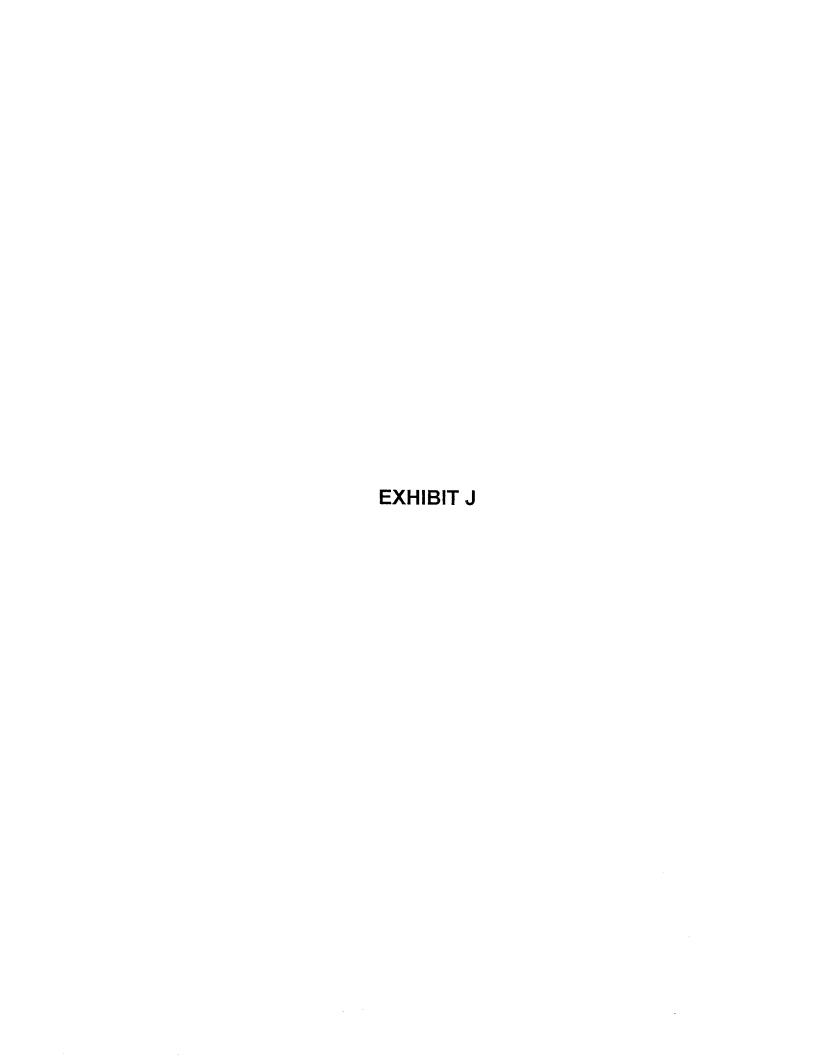
Compliance Records

NOW Communications, Inc. will submit reports, as may be required, for use in connection with subcontracting plans by the Tennessee Regulatory Authority and/or the State of Tennessee. NOW Communications, Inc. will cooperate fully with all reasonable and appropriate surveys or studies required by the contracting agency in determining program compliance. However, NOW Communications, Inc. reserves the right to designate documents, reports, surveys and/or studies as "confidential" or "proprietary".

Record Maintenance

NOW Communications, Inc. will maintain records relating to NOW Communications, Inc.'s Small and Minority Owned Telecommunications Business Participation Plan for the purpose of evidencing the implementation of this policy, for use by NOW Communications, Inc. in evaluating the effectiveness of the Plan and in obtaining the goals of the Plan, and for use in updating the Plan on an annual basis with the Tennessee Regulatory Authority, or as otherwise required.

ADO	PTED this day of	, 1999.
NOW	Communications, Inc.	
Ву:	Larry W. Seab	
	CEO	





May 12, 1999

Mr. David Waddell – Executive Secretary Tennessee Regulatory Authority 460 James Robertson Parkway Nashville, TN 37243-0505

RE: IntraLATA Toll Dialing Parity Plans

Dear Mr. Waddell:

I write on behalf of NOW Communications, Inc. ("NOW") in response to the April 29, 1999 letter received from Mr. Joe Werner regarding the requirements for filing a plan for IntraLATA Toll Dialing Parity.

Through an interconnection agreement with BellSouth Telecommunications, Inc. (BellSouth"), NOW is a "pure", switchless reseller of BellSouth's local exchange telecommunications services. NOW's services are provided on a prepaid basis only. All long-distance traffic on NOW's system is blocked. The only way a subscriber may make a long-distance call is to dial a toll-free number, e.g., 1-800 or 1-888. A NOW subscriber may use any carrier's long-distance service, but they must dial a toll-free number in order to access the long-distance carrier's service.

NOW permits its subscribers to use any long-distance provider's prepaid card system on its system. A NOW subscriber will dial the same amount or number of telephone numbers for any such prepaid long-distance card.

Should NOW at any time in the future change its method of providing service, NOW agrees to notify the Tennessee Regulatory Authority of such changes and provide you with an IntraLATA Toll Dialing Parity Plan at least sixty (60) days prior to implementing such changes.

I hope this response is satisfactory. If you have any questions, please do not hesitate to call me at 601-949-7500.

Sincerely,

Larry W. Seab President / CEO

NOW Communications, Inc. P. O. Box 807 Jackson, MS 39205-0807 October 1, 1999

Transmittal Letter

Mr. David Waddell, Executive Secretary Tennessee Regulatory Authority 460 James Robertson Parkway Nashville, TN 37243-0505

Re: NOW Communications, Inc. - Case No. 97-0911, Company ID 12631

Dear Mr. Waddell:

The accompanying tariff sheets issued by me as Vice President – Regulatory Affairs for NOW Communications, Inc. are sent to you for filing to reflect the following changes:

- 1. NOW's CCN granted it authority to provide the services proposed in its application, which were resold local and long distance services on a prepaid basis. Currently NOW is providing local services, and NOW desires to update the tariff to reflect the addition of its new prepaid long distance services. Accordingly, the revised title page and revised page 48 reflects that service.
- 2. NOW is standardizing the nonrecurring connection fee for custom calling features which had ranged from \$10 to \$20. The fee is proposed to be \$20 for all services (sheet 45).
 - NOW responded to the Commission's order requiring an intraLATA toll dialing parity plan on May 12, 1999. That plan is incorporated on the revised page 47.
- 4. Lastly, revised check sheet 2 and revised index sheet 4 are reflective of those changes.

It is desired that the tariff sheets accompanying this transmittal letter become effective on November 5, 1999.

An original and thirteen copies of the tariff and this transmittal letter are enclosed. Please call me at (719) 633-9977 if there is any additional information needed.

R. Scott Seab, Esq.

711 S. Tejon Street, Suite 201 Colorado Springs, CO 80903 rss@nowcommunications.com Telephone 719.633.9977 Fax 719.633.9932/632.1341

LOCAL EXCHANGE SERVICES

F. RATES AND CHARGES (Continued)

6. IntraLATA Toll Services

Through an interconnection agreement with BellSouth Telecommunications, Inc. (BellSouth'), NOW is a switchless reseller of BellSouth's local exchange telecommunications services. NOW's services are provided on a prepaid basis only. All 1+ long-distance traffic on NOW's system is blocked. The only way a subscriber may make a long-distance call is to dial a toll-free number, e.g., 1-800 or 1-888. A NOW subscriber may use any carrier's long-distance service, but they must dial a toll-free number in order to access the long-distance carrier's service.

NOW permits its subscribers to use any long-distance provider's prepaid long distance calling service on its system. A NOW subscriber will dial the same amount or number of telephone numbers for any such prepaid long distance service.

(N)

Issued: October 1, 1999

Issued By: R. Scott Seab, Vice President - Regulatory Affairs

711 South Tejon, Suite 201 Colorado Springs, CO 80903 Effective: November 5, 1999



LISTING

INCUMBENT LOCAL EXCHANGE SERVICE PROVIDERS <u>CERTIFICATED IN TENNESSEE</u>

(FACILITIES-BASED)

1) ARDMORE TELEPHONE COMPANY, INC.

P.O. Box 549 517 Ardmore Avenue Ardmore, TN 38449 (205) 423-2131 (205) 423-2208 (Fax)

2) BELLSOUTH

333 Commerce Street Nashville, TN 37201-3300 (615) 214-3800 (615) 214-8820 (Fax)

3) CENTURY TELEPHONE OF ADAMSVILLE

P.O. Box 405 116 N. Oak Street Adamsville, TN 38310 (901) 632-3311 (901) 632-0232 (Fax)

4) <u>CENTURY TELEPHONE OF CLAIBORNE</u>

P.O. Box 100 507 Main Street New Tazewell, TN 37825 (423) 626-4242 (423) 626-5224 (Fax)

5) <u>CENTURY TELEPHONE OF OOLTEWAH-COLLEGEDALE, INC.</u>

P.O. Box 782 5616 Main Street Ooltewah, TN 37363 (423) 238-4102 (423) 238-5699 (Fax)

6) CITIZENS COMMUNICATIONS COMPANY OF TENNESSEE

P.O. Box 770 300 Bland Street Bluefield, WV 24701

LISTING

INCUMBENT LOCAL EXCHANGE SERVICE PROVIDERS <u>CERTIFICATED IN TENNESSEE</u>

(FACILITIES-BASED)

7) CITIZENS COMMUNICATIONS COMPANY OF THE VOLUNTEER STATE

P.O. Box 770 300 Bland Street Bluefield, WV 24701

8) LORETTO TELEPHONE COMPANY, INC.

P.O. Box 130 Loretto, TN 38469 (931) 853-4351 (931) 853-4329 (Fax)

9) MILLINGTON TELEPHONE COMPANY, INC.

P.O. Box 429

4880 Navy Road Millington, TN 38083-0429 (901) 872-3311 (901) 873-0022 (Fax)

10) SPRINT-UNITED

112 Sixth Street Bristol, TN 37620 (423) 968-8161 (423) 968-3148 (Fax)

11) TDS TELECOM-CONCORD TELEPHONE EXCHANGE, INC.

P.O. Box 22610 701 Concord Road Knoxville, TN 37933-0610 (423) 966-5828 (423) 966-9000 (Fax)

12) TDS TELECOM-HUMPHREYS COUNTY TELEPHONE COMPANY

P.O. Box 552 203 Long Street New Johnsonville, TN 37134-0552 (931) 535-2200 (931) 535-3309 (Fax)

13) TDS TELECOM-TELLICO TELEPHONE COMPANY, INC.

P.O. Box 9

LISTING

INCUMBENT LOCAL EXCHANGE SERVICE PROVIDERS

CERTIFICATED IN TENNESSEE

(FACILITIES-BASED)

102 Spence Street Tellico Plains, TN 37385-0009 (423) 671-4600 (423) 253-7080 (Fax)

14) TDS TELECOM-TENNESSEE TELEPHONE COMPANY

P.O. Box 18139 Knoxville, TN 37928-2139 (423) 922-3535 (423) 922-9515 (Fax)

15) TEC-CROCKETT TELEPHONE COMPANY, INC.

P.O. Box 7 Friendship, TN 38034 (901) 677-8181

16) TEC-PEOPLE'S TELEPHONE COMPANY, INC.

P.O. Box 310 Erin, TN 37061 (931) 289-4221 (931) 289-4220 (Fax)

17) TEC-WEST TENNESSEE TELEPHONE COMPANY, INC.

P.O. Box 10 244 E. Main Street Bradford, TN 38316 (901) 742-2211 (901) 742-2212 (Fax)

18) <u>United Telephone Company</u>

P.O. Box 38 120 Taylor Street Chapel Hill, TN 37034 (931) 364-2289 (931) 364-7202 (Fax) EXHIBIT L

BEFORE THE TENNESSEE REGULATORY AUTHORITY

In the Application of NOW Communications, Inc. to Amend its Certificate of Public	
Convenience and Necessity for Authority to	Case No.
Provide Local Exchange Service on a	
Facilities/UNE Basis	

PRE-FILED TESTIMONY OF LARRY W. SEAB

Chief Executive Officer and President

NOW COMMUNICATIONS, INC.

- 1 Q. Please state your name, position and business address.
- A. My name is Larry W. Seab. I am the Chief Executive Officer and
- 3 President of NOW Communications, Inc. ("NOW"). My business address is 1695 High
- 4 Street, Suite B, Jackson, Mississippi 39205. NOW also maintains offices located at 2000
- 5 Newpoint Place Parkway, Suite 900, Lawrenceville, Georgia 30043.

- Q. Please briefly describe your educational background.
- 8 A. I received my Bachelor of Science degree in Accounting from Northeast
- 9 Louisiana University in 1960. After serving as an officer in the United States Army for
- 10 two years, I attended the Talus CPA School in Philadelphia, Pennsylvania and passed the
- 11 CPA exam in 1963. In addition to graduate course work from Northeast Louisiana
- 12 University, I have completed a four-week course on telephone accounting at Michigan
- 13 State University and attended two Specialized Seminars on Utilities Rate of Return
- 14 Regulations sponsored by the University of Toronto.

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- Q. Please briefly describe your business background and experience.
- 17 A. I have over thirty years' experience in the telecommunications industry. I
- have served as telephone company accountant, as a consultant testifying on rate matters
- 19 for various incumbent carriers before many state commissions, as an executive in a rural
- 20 telephone company, and most recently, as the founder and CEO of NOW
- 21 Communications, Inc.
- In 1971, I founded Communication Consultants, Inc., in Monroe, Louisiana, and
- 23 served as its President. Communications Consultants, Inc. provided rate analysis and
- 24 telephone company accounting services for incumbent and rural local exchange
- companies. In 1982, I founded Long-Distance Savers, Inc., which began providing long
- distance telephone services on a resale basis in 1983. I served as its president until 1984.
- 27 Subsequently, I established holding company operating procedures for the owner of
- 28 seven independent telephone companies and served as president of those companies for
- 29 two years.
- In 1996, I joined several other former incumbent local exchange carrier company
- 31 executives to create NOW Communications, Inc. ("NOW"), currently a switchless

reseller certificated to provide local exchange service in 39 states and the District of Columbia. NOW operates primarily in the BellSouth Telecommunications, Inc.

("BellSouth") operating states.

My business experience covers a range of telecommunications activities and issues. I have experience in drafting and implementing operating procedures for the service and supply operations for a major telephone company. I have prepared and supervised the development of cost-of-service study procedures for the Arkansas Public Service Commission for telephone companies operating in the State of Arkansas. I have prepared financial data and testimony to support the development of rate bases, revenue requirements, and costs of capital before regulatory authorities in the States of Mississippi, Louisiana, Alabama, Arkansas, Texas, Missouri, Oklahoma, West Virginia, Indiana, Michigan, and Wisconsin. I also have prepared annual cost studies and have negotiated revenue settlements with AT&T and the Bell Operating Companies for 34 independent telephone companies in six states.

- Q. Have you provided information on other executive officers of NOW to this Commission?
 - A. Yes, an updated list of officers, directors, and brief biographies of each is attached to my testimony as Exhibit LWS-1.

- Q. Have you previously testified before this Commission?
 - A. Yes, in connection with NOW's original application filed in mid-1997 for authority to provide telephone service on a switchless resale basis in Case No. 97-0911.

- Q. What is the purpose of your instant testimony?
- A. The purpose of my current testimony is to support NOW's application to amend its current certificate of authority, which is limited to providing service on a switchless resale basis, to include provisioning on a facilities and unbundled network element ("UNE") basis. This Commission granted NOW's original application to provide resold local exchange service in Case No. 97-0911 on August 20, 1997.

- Q. Are you familiar with the application filed by NOW to amend its certificate of authority?
 - Y. Yes, I provided input and reviewed the application.

- Q. Please define what you mean by "switchless reseller."
- A. A "switchless reseller" is a non-ILEC telephone carrier that does not own or operate plant and equipment. Instead, pursuant to Section 251 of the Act, the switchless reseller purchases from the ILEC telecommunications services that the ILEC offers to the public. The switchless reseller purchases these retail services at a wholesale rate that is a discount off the ILEC's retail rate, as established by the various state commissions. The switchless reseller re-brands and offers these services to the public.

- Q. Does NOW currently exercise its resale operating authority in Tennessee and in other states?
 - A. Yes; NOW began operating in February, 1998 in Tennessee on a resold basis providing prepaid residential telephone services. Mississippi was NOW's first state to obtain certification and began operating in there in February, 1997. Since then, NOW has expanded operations to include customers in the states of Alabama, Arkansas, California, Colorado, Florida, Georgia, Idaho, Kentucky, Louisiana, Missouri, Nevada, North Carolina, South Carolina, Texas, Utah, and Virginia. However, NOW recently sold its customers in California, Idaho, Nevada, and Utah to a competitor. Additionally, NOW is certificated in many states in which it has no current operations, such as Arizona, Illinois, Indiana, Kansas, Maine, Maryland, Michigan, Montana, Nebraska, New Hampshire, New Jersey, New Mexico, New York, Oklahoma, Oregon, Pennsylvania, Rhode Island, West Virginia, Wisconsin, Wyoming, and the District of Columbia.

- Q. Why does NOW seek amendment of its resale authority to offer services in Tennessee to include offering such services on a facilities and UNE platform?
 - A. NOW has learned that it can achieve greater operating efficiencies by ordering services necessary to provide telephone service to end-users under a UNE arrangement with BellSouth as opposed to a total service resale arrangement.

- 1 Additionally, NOW can offer unique products to end-users that BellSouth may not have
- 2 in its tariff product offerings, which is what switchless resellers are limited to offering.
- 3 Lastly, after overcoming the initial financial investment in the additional equipment and
- 4 the learning curve required to provide services on a UNE platform, NOW hopes that it
- 5 can flow through some of the efficiencies and cost savings to its end-users.

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- Q. Has NOW obtained authority from any other state commission to provide local exchange service on a facilities and/or UNE basis?
- 9 A. Yes. NOW has already obtained such certification in the states of Florida,
- 10 Georgia, Illinois, Kansas, Louisiana, Michigan, Montana, New Hampshire, New Mexico,
- 11 New York, and Wyoming. NOW has applications in various stages for such certification
- 12 in other states, and has commission-approved UNE interconnection agreements with
- 13 ILECs in the states of Alabama, Georgia, Kentucky, Illinois, Michigan, and Ohio. NOW
- has UNE agreements pending approval in several other states as well.

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- Q. Does NOW intend to offer local exchange services in areas served by any incumbent local exchange company with fewer than 10,000 total access line?
- 18 A. No.

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- Q. Had any state ever denied NOW or one of its affiliates authorization to provide intrastate service?
- 22 A. No.

- Q. Has any state ever revoked the certification of NOW, or one of its affiliates?
- A. NOW purchased all of the assets of Tel-Link, LLC in February 2000, and all of the stock of TelStar International, Inc. in September 2000. As part of its approval of the transaction, the South Carolina Public Service Commission cancelled the certificate of Tel-Link, LLC since it was no longer needed and was not necessary for the transaction. After integrating those two acquisitions, NOW has voluntary sought
- 31 withdrawal of Tel-Link and TelStar certificates of authority in various states since

separate certification was no longer needed by the acquired companies. But no certification has been revoked for failure to adhere to commission rules and regulations.

- Q. Has NOW or one of its affiliates ever been investigated or sanctioned by any regulatory authority for service or billing irregularities?
- A. There have not been any formal investigations or sanctions at all; over the last five years, there have been very few informal inquiries from various commission staff regarding service issues usually related to delayed installation dates caused by the ILEC but no inquiries at all concerning billing irregularities. All such informal inquiries have been resolved to the satisfaction of staff and the end-users and there are no pending inquiries of any nature to my knowledge. More specifically, in Tennessee, there have never been any inquiries or complaints regarding NOW's services.

- Q. Who is knowledgeable about NOW's operations and will serve as NOW's regulatory and customer contact?
 - A. Of course all of NOW's management is knowledgeable about NOW's operations, and NOW's specific contact for regulatory matters is R. Scott Seab, Vice President of Regulatory Affairs. His office is at 711 South Tejon Street, Suite 201, Colorado Springs, Colorado 80903, phone (719) 633-3059. NOW's specific contact for customer service issues is Mr. Jim Finn, Director of Customer Service. His office is at NOW's headquarters, located at 2000 Newpoint Place Parkway, Suite 900, Lawrenceville, Georgia 30043. The toll free telephone number is (888) 565-1011.

- Q. Please explain NOW's procedures for responding to information requests from the TRA and its staff.
- A. Since NOW has been operating in and complying with TRA rules, regulations, annual reporting requirements, and information requests for several years, there is no new information to provide for this question. Scott Seab will continue to be responsible for regulatory matters and information requests.

Q. You previously described the operations of a "switchless reseller". Please

describe how NOW would provide services on a facilities and UNE platform, and briefly describe the facilities or equipment utilized.

A. Although NOW is seeking authority to operate on a facilities basis along with the UNE platform, NOW will not initially construct any facilities or deploy traditional Class 5 or newer switching technologies. NOW desires to have the authority and flexibility to do so in the future, however. NOW will phase in the UNE platform which is similar to switchless resale in the sense that NOW can still completely utilize the underlying facilities, plant and equipment of BellSouth. The manner in which NOW will order the services from BellSouth for its end-users will change. NOW will order each various individual component, or unbundled network element, necessary to provide the service to the end-user. Those elements are then combined into a complete circuit like switchless resale, but the individual elements purchased separately are cheaper than simply ordering a 1FR (single residential line) from BellSouth. NOW can also recombine various elements to create unique products to its end-users. customer base reaches a certain level, NOW will be able to justify investments into soft switch technologies and/or virtual signal control points that will be co-located with or near traditional ILEC switches in various markets.

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- Q. Does NOW intend to construct and deploy any lines, cable, conduit, poles, or other similar facilities?
- 21 A. No.

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- Q. Has there been any agreement between NOW and another carrier setting forth the terms, conditions, and rates for NOW's provision of local exchange services on a UNE basis in Tennessee?
- A. Yes; BellSouth and NOW filed a negotiated interconnection agreement with the TRA on ______, Docket No. _____. That agreement contains the terms, conditions, and rates for NOW's acquisition of unbundled network elements from BellSouth.

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Q. Has NOW personnel received any required training in the ordering and

- 1 provisioning of services on a UNE basis?
- 2 A. Yes, BellSouth provided training classes to the pertinent NOW employees
- 3 who are responsible for ordering and provisioning of services on a UNE basis.

- Q. Does this complete your testimony?
- 6 A. Yes.

I swear that the foregoing testimony is true and correct to the best of my knowledge.

Larry W. Seab

CEO / President

NOW Communications, Inc.

SUBSCRIBED AND SWORN to me this 30d day of August, 2001.

Cynthia a. Samman Notary Public

State of Mississippi

County of Hirds

MISSISSIPPI STATEWIDE NOTARY PUBLIC MY COMMISSION EXPIRES MAY 8, 2005
My Commission Expires:

MISSISSIPPI STATEWIDE NOTARY PUBLIC MY COMMISSION EXPIRES MAY 8, 2005

MY COMMISSION EXPIRES MAY 8, 2005

MY Commission Expires:

Director; CEO and President: Larry W. Seab, Sr. Mr. Seab has been a telecommunications consultant for telephone companies since 1971. His previous company, Communications Consultants, Inc., specialized in preparing rate case studies for independent telephone companies appearing before state PSC bodies. He pioneered the long distance resale industry in Louisiana in 1983 with Long Distance Savers, Inc., which was later acquired by a larger carrier. Mr. Seab then served as Chief Financial Officer of a leading rural local exchange carrier and established a Hungarian subsidiary following Hungary's telephone privatization in 1991 and 1992. Following the passage of The Telecommunications Act of 1996, he and Charles W. McGuffee incorporated NOW Communications, Inc. on February 29, 1996. (Business HQ address)

Director; CFO, Secretary - Treasurer: Charles W. McGuffee. After graduating from Delta State University in Cleveland, Mississippi in 1967, the United States Treasury Department employed him as a National Bank Examiner for the Comptroller of the Currency. After nine years of treasury service, he entered commercial banking and was Vice President with three large banks in Mississippi and Alabama over the next ten years. During that period he received a graduate degree from Louisiana State University Graduate School of Banking of the South. In 1984, he became associated with Telephone Electronics Corporation, one of the largest independent telephone holding companies in the South, and served as its financial advisor until he and Mr. Seab incorporated NOW. (Business HQ address)

Vice President, Regulatory Affairs: R. Scott Seab. Scott has been an attorney since 1990 and has been counsel to NOW since its inception providing guidance initially on general corporate and employment matters. In November 1997, he became counsel for all state regulatory matters and was appointed to his current position in April, 1998. Address: Regulatory Offices, 711 South Tejon Street, Suite 201, Colorado Springs, CO 80903.

Director; Vice President, Management Information Systems: Steve Jennings. Mr. Jennings came to NOW Communications from WorldCom, Inc., where he was responsible for accounts receivable reconciliation. He has been involved in accounting management and utilities for various businesses since 1979. His background includes work with electric cooperatives, cellular companies and independent telephone companies. (Business HQ address)

Vice President, Corporate Development: Joe Clark. Mr. Clark brings over 30 years of marketing, product development, sales and organizational development experience. He has held senior management positions in several large international companies such as National Cash Register, The Singer Corporation, National Data Corporation and Western States Bankcard

NOW Communications, Inc.

Business Headquarters:

2000 Newpoint Place Parkway, Ste. 900 Lawrenceville, GA 30043 (888) 565-1011 ws@nowcommunications.com

Legal Office:

711 South Tejon, Suite 201 Colorado Springs, CO 80903 (719) 633-3059 rss@nowcommunications.com Association (the founders of MasterCard). Prior to joining NOW, Mr. Clark was the Executive Vice President of Sun Technology Solutions, Inc. a leading international telecommunications-consulting firm concentrating in M&A, funding, industry analysis, facility management, technology assessment, organizational development and service bureau functions related to the communications industry. (Business HQ address)

Vice President, Marketing: John Adel. Mr. Adel joined NOW in July 2000 from U.S. Dial Tone, LLP, a prepaid communications and internet services provider in San Antonio, Texas. Mr. Adel has over 20 years of executive management experience in the marketing of computer systems and telecommunications services. Under his expertise, NOW has recently launched an internet service that is unique in the prepaid industry. The service has been met with massive acceptance by NOW's end-users - and is bridging the "digital divide" by bringing internet access to those who before NOW had only heard of the World Wide Web.

Director: James R. Downs. Mr. Downs was the Chief Financial Officer and Treasurer and Secretary of Formus Inc., an international broadband telecommunications provider from 1996 to 1999. He was Vice President of Finance, Chief Financial Officer, and Secretary-Treasurer of ConferTech International, Inc., from 1990 to 1996. Prior to joining ConferTech, Jim held a variety of senior management positions with the US WEST, Inc., group of companies. From 1988 to 1990, he served as Chief Financial Officer and Vice President of Finance and Administration of US WEST Knowledge Engineering, Inc. From 1986 to 1990, he served as Vice President and Controller of Western Range Insurance Company, a US WEST, Inc., subsidiary. Mr. Downs also served as Director of Financial Results for the US WEST, Inc., Headquarters Company. Mr. Downs is also a Certified Public Account and was elected a director of NOW in 1997. Address: 1105 Oakhurst Drive, Broomfield, CO 80020.

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